

1 Timothy R. Mulliner, Esq.
Nevada Bar No. 10692
2 BALLARD SPAHR LLP
100 North City Pkwy., Ste. 1750
3 Las Vegas, Nevada 89106
Telephone: 702.471.7000
4 Facsimile: 702.471.7070
Email: mullinert@ballardspahr.com

5 Beth Moskow-Schnoll, Esq.*
6 BALLARD SPAHR LLP
919 N. Market Street, 11th Floor
7 Wilmington, DE 19801
Telephone: 302.252.4447
8 Facsimile: 302.252-4466
Email: moskowb@ballardspahr.com

9 *Attorneys for Plaintiff*

10 * Will comply with LR IA 10-2 within 45 days

11
12 **UNITED STATES DISTRICT COURT**

13 **DISTRICT OF NEVADA**

14 CHASE BANK USA, N.A.,

15 Plaintiff,

16 v.

17 JOYCE ZAIC,

18 Defendant.

Case No.

19
20 **COMPLAINT FOR DECLARATORY**
21 **JUDGMENT**

22 Plaintiff Chase Bank USA, N.A. ("Chase"), by its undersigned counsel, respectfully
23 requests declaratory relief declaring and holding that: (1) defendant Joyce Zaic ("Zaic") is not
24 entitled to arbitrate her credit card disputes with Chase; (2) even assuming Zaic filed a proper
25 written notice of billing error, after promptly investigating Zaic's allegations and notifying Zaic in
26 writing of the reasons Chase believed Zaic's account was correctly shown in the statement, Chase
27 had no further responsibility under the Federal Fair Credit Billing Act; (3) the claims and defenses
28 provisions of the Federal Truth-in-Lending Act are not applicable to cash advance transactions;
and (4) Chase had no obligations under the Federal Truth-in-Lending Act to take any action.

PARTIES

1. Plaintiff Chase is a national banking association with its main office in Wilmington, Delaware.

2. Defendant Zaic is a citizen of the State of Nevada residing in Las Vegas, Nevada.

JURISDICTION AND VENUE

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1331 because Zaic's claims involve Chase's alleged violations of the Federal Fair Credit Billing Act ("FCBA"), 15 U.S.C. §§ 1666 *et seq.*, and the claims and defenses provisions of the Federal Truth-in-Lending Act ("TILA"), 15 U.S.C. §1666i. Similarly, this Court has jurisdiction because Chase seeks declaratory relief that it fulfilled its obligations pursuant to the FCBA and that it had no obligations under TILA to take any action because the "claims and defenses" provisions of TILA do not apply to cash advances.

4. This Court also has jurisdiction over this matter pursuant to 28 U.S.C. §§ 2201 and 2202 because of Chase's need for declaratory relief.

5. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(a)(2), (a)(3), (b)(2) and (b)(3).

FACTUAL BACKGROUND

6. On or about August 24, 2012, Chase was notified by the American Arbitration Association ("AAA") that Zaic had filed a Demand for Arbitration against Chase pursuant to the AAA's Supplementary Procedures for Consumer-Related Disputes. A copy of Zaic's Demand for Arbitration is attached hereto as Exhibit 1, and a copy of the AAA's August 24, 2012 letter is attached hereto as Exhibit 2.

7. Zaic's submission to the AAA included an outdated and superseded copy of a purported Chase cardmember agreement. This outdated and superseded agreement contained an arbitration provision permitting the arbitration of claims against Chase.

8. Pursuant to her Demand for Arbitration, Zaic claims that she has a "credit card dispute" with Chase.

1 9. Pursuant to her Demand for Arbitration, Zaic seeks actual damages of
2 \$565.52 related to her credit card account ending in 9919. Upon information and belief, this total
3 is based on the use of the 9919 credit card to obtain a \$531.99 cash advance, plus a late fee and
4 interest charges.

5 10. In fact, Zaic has no right to arbitrate her disputes with Chase because Chase
6 amended its Cardmember Agreement with Zaic when it mailed her a Cardmember Agreement that
7 was effective February 22, 2010 and that did not contain any provision permitting her to arbitrate
8 any of her disputes with Chase. Thus, the Chase letter enclosing the amended Cardmember
9 Agreement stated that the amended Cardmember Agreement “remov[ed] the Arbitration section”
10 from the prior Cardmember Agreement. A copy of the amended Chase Cardmember Agreement
11 and the letter enclosing it are attached hereto as Exhibit 3.

12 11. Chase has not otherwise agreed or consented to arbitration with Zaic of her
13 claims.

14 12. Pursuant to the FCBA, in order to notify a creditor of a billing error, within
15 sixty days of receiving a billing statement containing a billing error, the obligor must send a
16 notice, in writing, that “indicates the obligor’s belief that the statement contains a billing error and
17 the amount of such billing error, and . . . sets forth the reasons for the obligor’s belief (to the
18 extent applicable) that the statement contains a billing error.” 15 U.S.C. § 1666(a)(2) and (3).

19 13. Even assuming that Zaic filed a proper written notice of billing error, Chase
20 complied with its obligations under the FCBA by promptly investigating Zaic’s claim that a cash
21 advance of \$531.99 which appeared on her April 2012 statement was fraudulent and notifying
22 Zaic in writing of the reasons why Chase believed Zaic’s “account was correctly shown in the
23 statement.” 15 U.S.C. § 1666(a)(3)(B). In a letter dated April 16, 2012, Chase informed Zaic that
24 she would be held responsible for the transaction for the following reasons: “On March 10, 2012,
25 we received three telephone calls from you, and on each of these telephone conversations, you
26 verified personal account information and verified the transaction you were requesting. In
27 addition, this transaction was done face to face with an employee of the casino where they
28 requested proof of identification.” The April 16, 2012 letter informing Zaic that she was

1 responsible for the transaction at issue is attached hereto as Exhibit 4. Chase had no further
2 responsibility under the FCBA. 15 U.S.C. § 1666(a).

3 14. The “claims and defenses” provision of TILA, 15 U.S.C. § 1666i, preserves
4 a consumer's right to assert against the card issuer any claims or defenses arising out of a credit
5 card transaction that can be asserted against the merchant. However, a consumer may assert
6 claims or defenses only when the goods or services are “purchased with the credit card.”
7 Therefore, the “use of a credit card to obtain a cash advance, even if the consumer then uses the
8 money to purchase goods or services,” is specifically excluded from this provision because “such
9 a transaction would not involve ‘property or services purchased with the credit card.’” 12 C.F.R.
10 pt. 1026, Supp. I, Comment 12(c)(1)-1.i. *See also* 12 C.F.R. § 1026.12(c)(1); 15 U.S.C. §
11 1666i(a). Thus, Zaic has no right to assert claims and defenses against Chase in a dispute arising
12 over the use of her Chase credit card to obtain a cash advance.

13 WHEREFORE, Chase respectfully requests that this Court enter a declaratory judgment
14 declaring and holding that: (1) Zaic is not entitled to arbitrate her credit card disputes with Chase;
15 (2) even assuming Zaic filed a proper written notice of billing error, after promptly investigating
16 Zaic’s allegations and notifying Zaic in writing of the reasons why Chase believed Zaic’s account
17 was correctly shown in the statement, Chase had no further responsibility under the Federal Fair
18 Credit Billing Act; (3) the claims and defenses provisions of the Federal Truth-in-Lending Act are
19 not applicable to cash advance transactions; and (4) Chase had no obligations under the Federal
20 Truth-in-Lending Act to take any action.

21 Dated: September 18, 2012

22
23 OF COUNSEL:

24 Beth Moskow-Schnoll
25 BALLARD SPHAR LLP
26 919 N. Market Street, 11th Floor
27 Wilmington, DE 19801
28 302.252.4447
moskowb@ballardspahr.com

Respectfully submitted,

/s/ Timothy R. Mulliner
Timothy R. Mulliner (Bar No.10692)
BALLARD SPAHR LLP
100 North City Parkway, Suite 1750
Las Vegas, NV 89106-4617
702.387.3094
mullinert@ballardspahr.com

Attorneys for Plaintiff

BALLARD SPAHR LLP
100 NORTH CITY PARKWAY, SUITE 1750
LAS VEGAS, NEVADA 89106-4614
(702) 471-7000 FAX (702) 471-7070

EXHIBIT “1”

AMERICAN ARBITRATION ASSOCIATION SUPPLEMENTARY PROCEDURES FOR CONSUMER-RELATED DISPUTES

How to file a claim; consumers should:

- Fill out this form and retain one copy for your records.
- Mail a copy of this form and your check or money order made payable to the AAA, to:
AAA's Case Filing Services, 1101 Laurel Oak Road
Suite 100, Voorhees, NJ 08043. Please consult Section
C-8 of the *Supplementary Procedures for Consumer-Related Disputes* for the appropriate fee.
- Send a copy of this form to the business.

How to file a claim; businesses should:

- Fill out this form and retain one copy for your records.
- Mail a copy of this form and your check or money order made payable to the AAA, to:
AAA's Case Filing Services, 1101 Laurel Oak Road
Suite 100, Voorhees, NJ 08043. Please consult Section
C-8 of the *Supplementary Procedures for Consumer-Related Disputes* for the appropriate fee.
- Send a copy of this form to the consumer by registered mail, return receipt requested.

1 How is this claim being filed? Check only one.

☒ By request of the consumer (A copy of the arbitration agreement must be attached. A copy of this form must also be sent to the business)

☐ By request of the business (A copy of the arbitration agreement must be attached. A copy of this form must also be sent to the consumer by registered mail return receipt requested)

-or-

☐ By mutual agreement ("submission") of the parties (both parties must sign this form)

2 Briefly explain the dispute.

Credit card dispute. Credit Card Account number: [REDACTED] 9919

3 Do you believe there is any money owed to you? ☒ Yes ☐ No If yes, how much? \$565.52

4 Are you seeking any other relief? ☒ Yes ☐ No
If yes, what is it?

Per card member agreement: arbitration provision, Bank agrees to pay all arbitration fees and costs.

5 Preferred hearing locale (if an in-person hearing is held) Las Vegas, NV.

6 Amount enclosed: \$0.00

7 Fill in the following information:

Consumer

Name of Consumer Joyce Zalci

Address 4116 Rubidoux Dr.

City/State/Zip Las Vegas, NV., 89108

Telephone (702) 714-0339

Fax

Email Address doodlecrayon@gmail.com

Signature of Consumer

Representative

Firm

Address

City/State/Zip

Telephone

Fax

Email Address

Business

Name of Business Chase Bank

Address 270 Park Avenue

City/State/Zip New York, New York, 10017

Telephone (212) 270-6000

Fax (212) 270-1648

Email Address

Signature of Business

Representative

Firm

Address

City/State/Zip

Telephone

Fax

Email Address

AAA Case Filing Services 1-877-495-4185

www.adr.org

CMA16075

Cardmember Agreement

ACCEPTANCE OF THIS AGREEMENT

This agreement governs your credit card account with us referenced on the card carrier containing the card for this account. Any use of your account is covered by this agreement. Please read the entire agreement and keep it for your records. You authorize us to pay for and charge your account for all transactions made on your account. You promise to pay us for all transactions made on your account, as well as any fees or finance charges. If this is a joint account, each of you, together and individually, is responsible for paying all amounts owed, even if the account is used by only one of you. We may require that you pay the full amount owed without first asking the other person(s) to pay. Please sign the back of your card when you receive it. You will be bound by this agreement if you or anyone authorized by you use your account for any purpose, even if you don't sign your card. Whether you use your account or not, you will be bound by this agreement unless you cancel your account within 30 days after receiving your card and you have not used your account for any purpose.

Throughout this agreement, the words "we," "us" and "our" mean Chase Bank USA, N.A., the issuer of your credit card and account. The words "you," "your" and "yours" mean all persons responsible for complying with this agreement, including the person who applied for the account and the person to whom we address billing statements, as well as any person who agrees to be liable on the account. The word "card" means one or more cards or other access devices, such as account numbers, that we have issued to permit you to obtain credit under this agreement.

USING YOUR ACCOUNT

Your account is a consumer account and shall be used only for personal, family or household purposes. Unless we agree or it is required by law, we will not be responsible for merchandise or services purchased or leased through use of your account. You promise to use your account only for valid and lawful transactions. For example, Internet gambling may be illegal in some places. It is not our responsibility to make sure that you use your account only for permissible transactions, and you will remain responsible for paying for a transaction even if it is not permissible or contemplated under this agreement.

Types of Transactions:

- **Purchases:** You may use your card to pay for goods or services.
- **Checks:** We may provide you cash advance checks or balance transfer checks as a way to use your account. We also refer to them in this agreement as a check or checks. You may use a check to pay for goods or services, to transfer balances to your account, or for other uses we allow. But you may not use these checks to transfer balances to this account from other accounts with us or any of our related companies. Only the person whose name is printed on the check may sign the check. Cash advance checks are treated as cash advances and balance transfer checks are treated as balance transfers except as noted in this agreement or any offer we make to you. We may treat checks that we call convenience checks as balance transfer checks. However, checks that we call convenience checks and that we indicated to you are subject to the terms for cash advances, may be treated as cash advances and assessed cash advance rates and fees.
- **Balance Transfers:** You may transfer balances from other accounts or loans with other credit card issuers or other lenders to this account, or other balance transfers we allow. But you may not transfer balances to this account from other accounts with us or any of our related companies. If a portion of a requested balance transfer will exceed your available credit line, we may process a partial balance transfer up to your available credit line.
- **Cash Advances:** You may use your card to get cash from automatic teller machines, or from financial institutions accepting the card; or to obtain travelers checks, foreign currency, money orders, wire transfers or similar cash-like charges; or to obtain lottery tickets, casino gaming chips, race track wagers or for similar betting transactions. You may also use a third party service to make a payment to your behalf and bill the payment to this account.
- **Overdraft Advances:** If you have an eligible checking account with one of our related banks, you may link this account to your checking account with our related bank to cover an overdraft on that checking account under the terms of this agreement and your checking account agreement.

Billing Cycle: In order to manage your account, we divide time into periods called "billing cycles." Each billing cycle is approximately one month in length. For each calendar month, your account will have a billing cycle that ends in that month. Your account will have a billing cycle ending in each calendar month whether or not there is a billing statement for that billing cycle.

Authorized Users: If you allow someone to use your account, that person will be an authorized user. You may request an additional card for use by an authorized user on your account. If you do so, this account may appear on the credit report of that authorized user. You should think carefully before allowing anyone to become an authorized user because you are allowing that person to use the account as you can. You will remain responsible for the use of your account and each card issued on your account according to the terms of this agreement. This includes your responsibility for paying all charges on your account made by an authorized user.

You must notify us to terminate an authorized user's permission to use your account. If you notify us, we may close the account and/or issue a new card or cards with a different account number. You should also request and destroy any cards, checks or any other means of access to your account from that authorized user.

Credit Line: Your credit line appears on your billing statements. We may also refer to the credit line as a credit limit. Your billing statement may also show that only a portion of your credit line may be used for cash advances. Cash advances, including cash advance checks, are charged against the cash advance portion of your credit line, and all other transactions are charged against your credit line. You are responsible for keeping track

of your account balance, including any fees and finance charges, and making sure it remains below your credit line. If your account balance is over your credit line for any reason, we may charge you an overlimit fee as described in this agreement. We may, but are not required to, authorize charges that go over your credit line. You must pay any amount over your credit line, and you must pay us immediately if we ask you to. This agreement applies to any balance on your account, including any balance over your credit line.

At our discretion, we may increase, reduce, or cancel your credit line, or the cash advance portion of your credit line, at any time. However, if you have asked us not to do so, we will not increase your credit line. A change to your credit line will not affect your obligation to pay us.

International Transactions: International transactions include any transaction that you make in a foreign currency or that you make outside of the United States of America even if it is made in U.S. dollars. If you make a transaction in a foreign currency, Visa International or MasterCard International, Inc., will convert the transaction into U.S. dollars by using its respective currency conversion procedures. The exchange rate each entity uses to convert currency is a rate that it selects either from the range of rates available in the wholesale currency markets for the applicable processing date (which rate may vary from the rate the respective entity itself receives), or the government-mandated rate in effect on the applicable processing date. The rate in effect on the applicable processing date may differ from the rate on the date you used your card or account. We reserve the right to charge you an additional 3% of the U.S. dollar amount of any international transaction, whether that transaction was originally made in U.S. dollars or was made in another currency and converted to U.S. dollars by Visa or MasterCard. In either case, the 3% will be calculated on the U.S. dollar amount provided to or by that entity. The same process and charges may apply if any international transaction is converted.

Refusal to Authorize Transactions: We may, but are not required to, decline a transaction on your account for any of the following reasons:

- because of operational considerations,
- because your account is in default,
- if we suspect fraudulent or unlawful activity or,
- in our discretion, for any other reason.

We are not responsible for any losses if a transaction on your account is declined for any reason, other than by us or a third party, even if you have sufficient credit available. For online transactions, we may require that you register your account with an authorization system that we select. We will notify you if we want you to register. If you do not register, we may decline your online transactions.

Refusal to Pay Checks: Each check you write is your request for funds. When we receive a check for payment, we may review your account to decide whether to authorize that check. We may, but are not required to, reject and return unpaid a check for any reason, including the following examples:

- We or one of our related companies is the payee on the check.
- Your credit line or cash advance portion of your credit line has been exceeded, or would be exceeded if we paid the check.
- The check is post-dated. If a post-dated check is paid, resulting in another check being returned or not paid, we are not responsible.
- You have used the check after the date specified on it.
- You are in default or would be if we paid the check.

Lost or Stolen Cards, Checks or Account Numbers: If any card, check, account number or other means to access your account is lost or stolen, or you think someone used or may use them without your permission, you must notify us at once by calling the Cardmember Service telephone number shown on your card or billing statement. Do not use your account after you notify us, even if your card, check, account number or other means to access your account is found or returned. We may terminate or suspend your credit privileges when you notify us of any loss, theft or unauthorized use related to your account.

You may be liable if there is unauthorized use of your account from which you receive no benefit, but you will not be liable for more than \$50.00 of such transactions, and you will not be liable for any such transactions made after you notify us of the loss, theft or unauthorized use. However, you must identify for us the unauthorized charges from which you received no benefit.

We may require you to provide us information in writing to help us find out what happened. We may also require you to comply with certain procedures in connection with our investigation.

PAYMENTS

Payment Instructions: Your billing statement and accompanying envelope include instructions you must follow for making payments and sets forth the date and time by which we must receive the payment.

You agree to pay us amounts you owe in U.S. dollars drawn on funds on deposit in a U.S. financial institution or the U.S. branch of a foreign financial institution using a payment check, money order or automatic debit that will be processed or honored by your financial institution. We will not accept cash payments. Your total available credit may not be restored for up to 15 days after we receive your payment.

Any payment check or other form of payment which you send to us for less than the full balance that is marked "paid in full" or with a similar notation or that you otherwise tender in full satisfaction of a disputed amount (conditional payments), must be sent to us at the conditional payments address listed on your monthly statement. We reserve all our rights regarding such payments. For example, if it is determined there is no valid dispute or if any such payment is received at any other address, we may accept the payment and you will still owe any remaining balance. We may refuse to accept any such payment by returning it to you, not cashing it or by destroying it. All other payments that you make should be sent to the regular payment address shown on your monthly statement.

We reserve the right to electronically collect your eligible payment checks, at first presentation and any representation, from the bank account on which the check is drawn. Our receipt of your payment checks is your authorization for us to collect the amount of the check electronically, or, if needed, by a draft drawn against the bank account. Payment checks will be collected electronically by sending the check amount along with the check, routing and account numbers to your bank. Your bank account may be debited as early as the same day we receive your payment. The original payment check will be destroyed and an image will be maintained in our records.

Minimum Payment: You agree to pay at least the minimum payment due, as shown on your billing statement, so that we receive it by the date and time payment is due. You may pay more than the minimum payment due and may pay the full amount you owe us at any time. If you have a balance that is subject to finance charges, the sooner you pay us, the less you will pay in finance charges because finance charges accrue on your balance each day.

Your billing statement shows your beginning balance and your ending balance (the "New Balance") on your billing statement. If the New Balance is \$10.00 or less, your minimum payment due will be the New Balance. Otherwise, it will be the largest of the following: \$10.00; 2% of the New Balance; or the sum of 1% of the New Balance, total billed periodic (rate) finance charges, and any billed late and overlimit fees. As part of the minimum payment due, we also add any amount past due and any amount over your credit line.

Payment Allocation: You agree that we are authorized to allocate your payments and credits in a way that is most favorable to or convenient for us. For example, you authorize us to apply your payments and credits to balances with lower APRs (such as promotional APRs) before balances with higher APRs.

Credit Balances: You may request a refund of a credit balance at any time. We may reduce the amount of any credit balance by the amount of new charges or fees billed to your account.

Automatic Charges: You may authorize a third party to automatically charge your account for repeat transactions (for example, monthly utility charges, memberships and insurance premiums). If automatic charges are stopped for any reason (including because your account is closed or suspended for any reason) or your account number changes, you are responsible for notifying the biller and paying these charges directly. If your account number changes, we may, but are not required to, pay from your new account number charges that you authorized to be billed to your old account number.

Promotional: From time to time we may offer special terms for your account. If we do, we will notify you about the terms of the offer and how long they will be in effect. Any promotion is subject to the terms of this agreement, as modified by the promotional offer.

FINANCE CHARGES

Daily Periodic Rates and Annual Percentage Rates: Your annual percentage rates ("APRs") and the corresponding daily periodic rates are listed on the Rates and Fees Table that is at the end of this document or provided separately. To get the daily periodic rate we divide the APR by 365, and in effect always round up at the fifth place to the right of the decimal point.

Variable Rates: One or more APRs that apply to your account may vary with changes to the Prime Rate. When you have an APR that varies with changes to the Prime Rate, we calculate the APR by adding a margin to the Prime Rate published in *The Wall Street Journal* two business days before the Closing Date shown on your billing statement. The "Prime Rate" is the highest (U.S.) Prime Rate published in the Money Rates section of *The Wall Street Journal*. If *The Wall Street Journal* stops publishing the Prime Rate, we will select a similar reference rate and inform you on your billing statement or through a separate notice.

A "margin" is the percentage we add to the Prime Rate to calculate the APR. A "business day" is any day that is not a weekend or federal holiday. The Rates and Fees Table shows which rates, if any, are variable rates. It also lists the margin for each variable rate and any minimum daily periodic rate and corresponding APR. Two business days before the Closing Date shown on your billing statement, we see what the Prime Rate is. We then add the applicable margin to that Prime Rate to get the APR. The daily periodic rate is calculated as described above.

If our calculation results in a change to a daily periodic rate from the previous billing cycle because the Prime Rate has changed, the new rate will apply as of the first day of your billing cycle that ends in the calendar month in which we made the calculation. If the daily periodic rate increases, you will have to pay a higher periodic finance charge and may have to pay a higher minimum payment.

Default Rates: Your APRs also may vary if you are in default under this agreement or any other agreement you have with us or any of our related companies for any of the following reasons:

- We do not receive, for any payment that is owed on this account or any other account or loan with us, at least the minimum payment due by the date and time due.
 - You exceed your credit line on this account.
 - You make a payment to us that is not honored by your bank.
- If any of these events occurs, we may increase the APRs (including any promotional APR) on all balances (excluding overdraft advances) up to a maximum of the default rate stated in the Rates and Fees Table. We may consider the following factors to determine your default rate: the length of time your account has been open, the existence, seriousness and timing of the defaults on your account; other indications of your account usage and performance; information about your other relationships with us or any of our related companies; and information we obtain from consumer credit reports obtained from credit bureaus. The default rate will take effect as of the first day of the billing cycle in which the default occurs.

If we decide not to increase your APR even though there is a default or if we do not increase your APR up to the maximum default rate stated in the Rates and Fees Table, we reserve our right to increase your APR in the event of any future default. We may in our discretion determine to charge reduced default rates or restate standard rates for all or selected balances on your account.

Finance Charge Calculation — Average Daily Balance Method (Including New Transactions): We calculate periodic finance charges separately for each balance associated with a different category of transactions (for example, purchases, balance transfers, balance transfer checks, cash advances, cash advance checks, overdraft advances, and each promotion). These calculations may combine different categories with the same daily periodic rates. This is how it works:

We calculate periodic finance charges for purchases, balance transfers, balance transfer checks, cash advances, cash advance checks, and overdraft advances by multiplying the daily balance for each of those categories by the daily periodic rate for each of those categories, each day. You may have overdraft advances only if you have linked this account to a checking account with one of our related banks. We calculate the periodic finance charges for purchases, balance transfers, balance transfer checks, cash advances, and cash advance checks subject to a promotional rate the same way, but we use the promotional rate.

To get the daily balance for each day for each category:

- We take the beginning balance for that day.
- We add to that balance any new transactions, fees, other charges, and debit adjustments that apply to that category. We add a new purchase, cash advance, balance transfer or overdraft advance, if applicable, to the daily balance as of the transaction date, or a later date of our choice. We add a new cash advance check or balance transfer check to the daily balance as of the date the cash advance check or balance transfer check is deposited by a payor, or a later date of our choice.
- We subtract from that balance any payments, credits, or credit adjustments that apply to that category and that are credited as of that day.
- We treat a credit balance as a balance of zero.

To get the beginning balance for each category for the next day, we add the daily periodic finance charge to the daily balance. If more than one daily periodic rate could apply to a category because the rate for the category may vary based on the amount of its average daily balance, we will use the daily periodic rate that applies for the average daily balance amount at the end of the billing cycle to calculate the daily periodic finance charge each day. This agreement provides for daily compounding of finance charges.

To get the total periodic finance charge for the billing cycle, we add all of the daily periodic finance charges for each category for each day during that billing cycle. However, if any periodic finance charge is due, we will charge you at least the minimum periodic finance charge stated in the Rates and Fees Table. If it is necessary to add an additional amount to reach the minimum finance charge, we add that amount to the balance for purchases made during the billing cycle.

The total finance charge on your account for a billing cycle will be the sum of the periodic finance charges plus any transaction fee finance charges.

For each category we calculate an average daily balance (including new transactions) for the billing cycle by adding all your daily balances and dividing that amount by the number of days in the billing cycle. If you multiply the average daily balance for a category by the applicable daily periodic rate, and multiply the result by the number of days in the billing cycle, the total will equal the periodic finance charges for that balance attributable to that billing cycle, except for minor variations due to rounding.

Grace Period and Accrual of Finance Charges: We accrue periodic finance charges on a transaction, fee, or finance charge from the date it is added to your daily balance until payment in full is received on your account. However, we do not charge periodic finance charges on new purchases billed during a billing cycle if we receive payment of your New Balance by the date and time your minimum payment is due and we received payment of your New Balance on your previous billing statement by the date and time your payment was due. This exception or "grace period" applies only to purchases and does not apply to balance transfers, balance transfer checks, cash advances, cash advance checks or overdraft advances, if applicable.

Transaction Fees for Cash Advances: We may charge you a cash advance fee in the amount stated in the Rates and Fees Table for cash advance checks and cash advances.

In addition, if you use a third party service to make a payment on your behalf and the service charges the payment to this account, we may charge a transaction fee for the payment.

These transaction fees are finance charges. We add the fee to the balance for the related category as of the transaction date of the cash advance. For example, a transaction fee for a cash advance would be added to your cash advance balance.

Transaction Fees for Balance Transfers: We may charge you a balance transfer fee in the amount stated in the Rates and Fees Table for balance transfer checks and balance transfers.

These transaction fees are finance charges. We add the fee to the balance for the related category as of the transaction date of the balance transfer. For example, a transaction fee for a balance transfer would be added to your balance transfer balance.

OTHER FEES AND CHARGES

We may charge the following fees. The amounts of these fees are listed in the Rates and Fees Table. These fees will be added to the balance for purchases made during the billing cycle.

Annual Membership Fee: If your account has an annual membership fee, it will be billed each year or in monthly installments as stated in the Rates and Fees Table, whether or not you use your account, and you agree to pay it when billed. The annual

membership fee is non-refundable unless you notify us that you wish to close your account within 30 days of the date we mail your billing statement on which the annual membership fee is charged and at the same time, you pay your outstanding balance in full. Your payment of the annual membership fee does not affect our right to close your account or limit your right to make transactions on your account. If your account is closed by you or us, we will continue to charge the annual membership fee until you pay your outstanding balance in full and terminate your account relationship.

Late Fee: If we do not receive at least the required minimum payment by the date and time it is due as shown on your billing statement for any billing cycle, we may charge the late fee shown in the Rules and Fees Table. If the late fee is based on a balance, we calculate the late fee using the Previous Balance on the current month's statement that shows the late fee. This balance is the same as the New Balance shown on the prior month's statement for which we did not receive at least the required minimum payment by the date and time it was due.

Overlimit Fee: If your account balance is over your credit limit at any time during a billing cycle, even if only for a day, we may charge an overlimit fee. We may charge this fee even if your balance is over the credit limit because of a finance charge or fee we imposed or a transaction we authorized. We will not charge more than one overlimit fee for any billing cycle. But we may charge an overlimit fee in subsequent billing cycles, even if no new transactions are made on your account, if your account balance still is over your credit limit at any time during the subsequent billing cycles.

Return Payment Fee: If (a) your payment check or similar instrument is not honored, (b) an automatic debit or other electronic payment is returned unpaid, or (c) we must return a payment check because it is not signed or cannot be processed, we may charge a return payment fee.

Return Check Fee: If (a) we stop payment on a cash advance check or balance transfer check at your request, or (b) we refuse to pay a cash advance check or balance transfer check, we may charge a return check fee.

Administrative Fees: If you request a copy of a billing statement, sales draft or other record of your account or if you request two or more cards or any special services (for example, obtaining cards on an expedited basis), we may charge you for these services. However, we will not charge you for copies of billing statements, sales drafts or similar documents that you request for a billing dispute (you may assert against us under applicable law). We may charge, for any services listed above and other services we provide, the fees from time to time in effect when we offer the service.

DEFAULT/COLLECTION

We may consider you to be in default if any of these occurs:

- We do not receive at least the minimum amount due by the date and time due as shown on your billing statement.
- You exceed your credit line.
- You fail to comply with the terms of this agreement or any agreement with one of our related companies.
- We obtain information that causes us to believe that you may be unwilling or unable to pay your debt to us or to others on time.
- You file for bankruptcy.
- You become incapacitated or in the event of your death.

If we consider your account to be in default, we may close your account without notice and require you to pay your unpaid balance immediately. We also may require you to pay interest at the rate of two percent (2%) a month on the unpaid balance when we deem your account to be six or more billing cycles past due.

To the extent permitted by law, if you are in default because you have failed to pay us, you will pay our collection costs, attorneys' fees, court costs, and all other expenses of enforcing our rights under this agreement.

CLOSING YOUR ACCOUNT

You may close your account at any time. If you call us to close your account, we may require that you confirm your request in writing.

We may close your account at any time or suspend your credit privileges at any time for any reason without prior notice except as required by applicable law. If we close your account, we will not be liable to you for any consequences resulting from closing your account or suspending your credit privileges.

If you or we close your account, you and any authorized users must immediately stop using your account and destroy all cards, checks or other means to access your account or return them to us upon request. You will continue to be responsible for charges to your account, even if they are made or processed after your account is closed and you will be required to pay the outstanding balance on your account according to the terms of this agreement. In addition, to the extent allowed by law, we may require you to pay the outstanding balance immediately or at any time after your account is closed.

ARBITRATION AGREEMENT

PLEASE READ THIS AGREEMENT CAREFULLY. IT PROVIDES THAT ANY DISPUTE MAY BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT. YOU WILL NOT BE ABLE TO BRING A CLASS ACTION OR OTHER REPRESENTATIVE ACTION IN COURT SUCH AS THAT IN THE FORM OF A PRIVATE ATTORNEY GENERAL ACTION, NOR WILL YOU BE ABLE TO BRING ANY CLAIM IN ARBITRATION AS A CLASS ACTION OR OTHER REPRESENTATIVE ACTION. YOU WILL NOT BE ABLE TO BE PART OF ANY CLASS ACTION OR OTHER REPRESENTATIVE ACTION BROUGHT BY ANYONE ELSE, OR BE REPRESENTED IN A CLASS ACTION OR OTHER REPRESENTATIVE ACTION. IN THE ABSENCE OF THIS ARBITRATION AGREEMENT, YOU AND WE MAY OTHERWISE HAVE HAD A RIGHT OR OPPORTUNITY TO BRING CLAIMS IN A COURT, BEFORE A JUDGE OR JURY, AND/OR TO PARTICIPATE OR BE REPRESENTED IN A CASE FILED IN COURT BY OTHERS (INCLUDING CLASS ACTIONS AND OTHER REPRESENTATIVE ACTIONS). OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO A COURT, SUCH AS DISCOVERY OR THE RIGHT TO APPEAL THE DECISION, MAY BE UNLIMITED, EXCEPT AS OTHERWISE PROVIDED BELOW. THOSE RIGHTS ARE WAIVED.

Binding Arbitration. This Arbitration Agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by and be enforceable under the Federal Arbitration Act (the "FAA"), 9 U.S.C. §1-16 as it may be amended. This Arbitration Agreement sets forth the circumstances and procedures under which claims (as defined below) may be resolved by arbitration instead of being litigated in court.

Parties Covered. For the purposes of this Arbitration Agreement, "we", "us", and "our" also includes our parent, subsidiaries, affiliates, licensees, predecessors, successors, assigns, any purchaser of your Account, and all of their officers, directors, employees, agents, and assigns or any and all of them. Additionally, "we", "us" and "our" shall include any third party providing benefits, services, or products in connection with the Account (including but not limited to credit bureaus, merchants that accept any credit device issued under the Account/rewards program and enrollment services; credit insurance companies, debt collectors; and all of their officers, directors, employees, agents and representatives) if, and only if, such a third party is named by you as a co-defendant in any Claim you assert against us.

Claims Covered. Either you or we may, without the other's consent, elect mandatory, binding arbitration of any claim, dispute or controversy by either you or us against the other, or against the employees, parents, subsidiaries, affiliates, beneficiaries, agents or assigns of the other, arising from or relating in any way to the Cardmember Agreement, any prior Cardmember Agreement, your credit card Account or the advertising, application or approval of your Account ("Claim"). This Arbitration Agreement governs all Claims, whether such Claims are based on law, statute, contract, regulation, ordinance, tort, common law, constitutional provision, or any legal theory of law such as respondeat superior, or any other legal or equitable ground and whether such Claims seek as remedies money damages, penalties, injunctions, or declaratory or equitable relief. Claims subject to this Arbitration Agreement include Claims regarding the applicability of this Arbitration Agreement or the validity of the entire Cardmember Agreement or any prior Cardmember Agreement. This Arbitration Agreement includes Claims that arose in the past, or arise in the present or in the future. As used in this Arbitration Agreement, the term Claim is to be given the broadest possible meaning.

Claims subject to arbitration include Claims that are made as counterclaims, cross claims, third party claims, interpleaders or otherwise, and a party who initiates a proceeding in court may elect arbitration with respect to any such Claims advanced in the lawsuit by any party or parties.

As an exception to this Arbitration Agreement, you retain the right to pursue in a small claims court any Claim that is within that court's jurisdiction and proceeds on an individual basis. If a party elects to arbitrate a Claim, the arbitration will be conducted as an individual action. Neither you nor we agree to any arbitration on a class or representative basis; and the arbitrator shall have no authority to proceed on such basis. This means that even if a class action lawsuit or other representative action, such as that in the form of a private attorney general action, is filed, any Claim between us related to the issues raised in such lawsuits will be subject to an individual arbitration claim if either you or we so elect.

No arbitration will be consolidated with any other arbitration proceeding without the consent of all parties. The only Claims that may be joined in an individual action under this Arbitration Agreement are (1) those brought by us against you and any co-applicant, joint cardmember, or authorized user of your Account, or your heirs or your trustee in bankruptcy or (2) those brought by you and any co-applicant, joint cardmember, or authorized user of your Account, or your heirs or your trustee in bankruptcy against us.

Initiation of Arbitration. The party filing a Claim in arbitration must choose one of the following two arbitration administrators: American Arbitration Association; or National Arbitration Forum. These administrators are independent from us. The administrator does not conduct the arbitration. Arbitration is conducted under the rules of the selected arbitration administrator by an impartial third party chosen in accordance with the rules of the selected arbitration administrator and as may be provided in this Arbitration Agreement. Any arbitration hearing that you attend shall be held at a place chosen by the arbitrator or arbitration administrator within the federal judicial district in which you reside at the time the Claim is filed, or at some other place to which you and we agree in writing. You may obtain copies of the current rules of each of the two arbitration administrators; information about arbitration and arbitration fees; and instructions for initiating arbitration by contacting the arbitration administrators as follows:

American Arbitration Association, 335 Madison Avenue, Floor 10, New York, NY 10017-6005; Web site: www.adr.org, 800-778-7875; or

National Arbitration Forum, P.O. Box 50191, Minneapolis, MN 55405; Web site: www.arbitration-forum.com, 800-474-2371.

Procedures and law applicable in arbitration. A single, neutral arbitrator will resolve Claims. The arbitrator will either be a lawyer with at least ten years experience or a retired or former judge. The arbitration will be conducted under the applicable procedures and rules of the arbitration administrator that are in effect on the date the arbitration is filed unless those procedures and rules are inconsistent with this Arbitration Agreement, in which case this Agreement will prevail. Those procedures and rules may limit the amount of discovery available to you or us. The arbitrator will apply applicable substantive law consistent with the FAA and applicable statutes of limitations, and will honor claims of privilege recognized at law. You may choose to have a hearing and be represented by counsel. The arbitrator will take reasonable steps to protect customer Account information and other confidential information, including the use of protective orders to prohibit disclosure outside the arbitration, if requested to do so by you or us. The arbitrator will have the power to award to a party any damages or other relief provided for under applicable law, and will not have the power to award relief to, against, or for the benefit of any person who is not a party to the proceeding. If the law authorizes such relief, the arbitrator may award punitive damages or attorney fees. The arbitrator will make any award in writing but need not provide a statement of reasons unless requested by a party. Upon a request by you or us, the arbitrator will provide a brief statement of the reasons for the award.

Costs. We will reimburse you for the initial arbitration filing fee paid by you up to the amount of \$500 upon receipt of proof of payment. Additionally, if there is a hearing, we

will pay any fees of the arbitrator and arbitration administrator for the first two days of that hearing. The payment of any such hearing fees by us will be made directly to the arbitration administrator selected by you or us pursuant to this Arbitration Agreement. All other fees will be allocated in keeping with the rules of the arbitration administrator and applicable law. However, we will advance or reimburse filing fees and other fees if the arbitration administrator or arbitrator determines there is good reason for requiring us to do so or you ask us and we determine there is good cause for doing so. Each party will bear the expense of the fees and costs of that party's attorneys, experts, witnesses, documents and other expenses, regardless of which party prevails, for arbitration and any appeal (as permitted below), except that the arbitrator shall apply any applicable law in determining whether a party should recover any or all fees and costs from another party.

Enforcement, finality, appeals, failure or any delay in enforcing this Arbitration Agreement at any time, or in connection with any particular Claims, will not constitute a waiver of any rights to require arbitration at a later time or in connection with any other Claims. Any decision rendered in such arbitration proceeding will be final and binding on the parties, unless a party appeals in writing to the arbitration organization within 30 days of issuance of the award. The appeal must request a new arbitration before a panel of three neutral arbitrators designated by the same arbitration organization. The panel will reconsider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Each party will bear their own fees, costs and expenses for any appeal, but a party may recover any or all fees, costs and expenses from another party, if the majority of the panel of arbitrators, applying applicable law, so determines. An award in arbitration will be enforceable as provided by the FAA or other applicable law by any court having jurisdiction.

Severability, survival. This Arbitration Agreement shall survive: (i) termination or changes in the Cardmember Agreement, the Account and the relationship between you and us concerning the Account, such as the issuing of a new account number or the transferring of the balance in the Account to another account; (ii) the bankruptcy of any party or any similar proceeding initiated by you or on your behalf; and (iii) payment of the debt in full by you or by a third party. If any portion of this Arbitration Agreement is deemed invalid or unenforceable, the remaining portions shall nevertheless remain in force.

CHANGES TO THIS AGREEMENT

We can change this agreement at any time, regardless of whether you have access to your account, by adding, deleting, or modifying any provision. Our right to add, delete, or modify provisions includes financial terms, such as the APRs and fees, and other terms such as the nature, extent, and enforcement of the rights and obligations you or we may have relating to this agreement. Modifications, additions, or deletions are called "Changes" or a "Change".

We will notify you of any Change if required by applicable law. These Changes may be effective with notice only, at the time stated in our notice, in accordance with applicable law. Unless we state otherwise, any Change will apply to the unpaid balances on your account and to new transactions.

The notice will describe any rights you may have with respect to any Change, and the consequences if you do or do not exercise those rights. For example, the notice may state that you may notify us in writing by a specified date if you do not want to accept certain Changes we are making. If you notify us in writing that you do not accept the Changes, your account may be closed (if it is not already closed) and you will be obligated to pay your outstanding balance under the applicable terms of this agreement. If you do not notify us in writing by the date stated in this notice, or if you notify us but then use your account after the date stated in the notice, you will be deemed to accept all Changes in the notice and to accept and confirm all terms of your agreement and all Changes in prior notices we have sent you regardless of whether you have access to your account.

CREDIT INFORMATION

We may periodically review your credit history by obtaining information from credit bureaus and others.

We may report information about you and your account to credit bureaus, including your failure to pay us on time. If you request additional cards on your account for others, we may report account information in your name, as well as in the names of those other people.

If you think we have reported inaccurate information to a credit bureau, you may write to us at the Cardmember Service address listed on your billing statement. Please include your name, address, account number, telephone number and a brief description of the problem. If available, please provide a copy of the credit bureau report in question. We will promptly investigate the matter and, if our investigation shows that you are right, we will contact each credit bureau to which we reported the information and will request they correct the report. If we disagree with you after our investigation, we will tell you in writing or by telephone. We will also notify the credit bureau that you dispute the information unless you let us know that you no longer dispute the information.

NOTICES/CHANGE OF PERSONAL INFORMATION

We will send cards, billing statements and other notices to you at the address shown in our files. Or, if this is a joint account, we can send billing statements and notices to any joint account holder. Notice to one of you will be considered notice to all of you and all of you will remain obligated on the account. If you change your name, address, or home, cellular or business telephone number or email address (if you elect to receive billing statements or other notices online), you must notify us immediately in writing at the address shown on your billing statement. We may, at our option, accept mailing address corrections from the United States Postal Service. We may contact you about your account, including for customer service or collection, at any address or telephone number as well as any cellular telephone number you provide us.

TELEPHONE MONITORING AND RECORDING

We, and if applicable, our agents, may listen to and record your telephone calls with us. You agree that we, and if applicable, our agents, may do so, whether you or we initiate the telephone call.

INFORMATION SHARING

You authorize us to share certain information about you and your account within our family of companies, and with others outside our family of companies including any company or organization whose name or mark may appear on the cards, as permitted by law. Our Privacy Policy, which is provided to you when you first receive an agreement and at least once each calendar year thereafter, describes our information sharing practices and the choices you have and directions you may give us about our sharing of information about you and your account with companies or organizations within and outside of our family of companies.

ILLINOIS CARDMEMBERS

Illinois law provides that we may not share information about you with companies or other organizations outside of our family of companies unless you authorize the disclosure or unless the disclosure falls under another exception in the law (such as sharing information to process your transactions or in response to a subpoena). You hereby agree that if you choose not to exercise the applicable opt out described in our Privacy Policy, you will be deemed to have authorized us to share personal information we have about you (including information related to any of the products or services you may have with any of our companies) with companies or other organizations outside of our family of companies.

ENFORCE THIS AGREEMENT

We can delay enforcing or not enforce any of our rights under this agreement without losing our right to enforce them in the future. If any of the terms of this agreement are found to be unenforceable, all other terms will remain in full force.

ASSIGNMENT

We may assign your account, any amounts you owe us, or any of our rights and obligations under this agreement to a third party. The person to whom we make the assignment will be entitled in any of our rights that we assign to that person.

GOVERNING LAW

THE TERMS AND ENFORCEMENT OF THIS AGREEMENT AND YOUR ACCOUNT SHALL BE GOVERNED AND INTERPRETED IN ACCORDANCE WITH FEDERAL LAW AND, TO THE EXTENT STATE LAW APPLIES, THE LAW OF DELAWARE, WITHOUT REGARD TO CONFLICT-OF-LAW PRINCIPLES. THE LAW OF DELAWARE, WHERE WE AND YOUR ACCOUNT ARE LOCATED, WILL APPLY NO MATTER WHERE YOU LIVE OR USE THE ACCOUNT.

FOR INFORMATION

Please call the Cardmember Service telephone number on your card or billing statement if you have any questions about your account or this agreement.

YOUR BILLING RIGHTS

Keep This Notice For Future Use

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify Us In Case Of Error Or Questions About Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the Cardmember Service address shown on your billing statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your credit card bill automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us at least three business days before the automatic payment is scheduled to occur.

Your Rights And Our Responsibilities After We Receive Your Written Notice

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit line. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the part of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within 10 days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50.00 of the questioned amount, even if your bill was correct.

Special Rules for Credit Card Purchases

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. This right does not apply to check transactions. There are two limitations on this right: (a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and (b) The purchase price must have been more than \$50.00. These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

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RATES AND FEES TABLE

(This table may also be referred to as the Table of Interest Charges)

Rates (APR means Annual Percentage Rate)

Introductory APR 0% fixed APR (0% daily periodic rate) on balance transfers and balance transfer checks until the first day of your billing cycle that includes March 1, 2006 (the "Introductory Period")
Purchase APR 19.99% fixed APR (0.05477% daily periodic rate)
Balance Transfer/Balance Transfer Check APR after the Introductory Period 19.99% fixed APR (0.05477% daily periodic rate)
Cash Advance/Cash Advance Check APR The Prime Rate* plus 19.99%, currently 28.24% (0.07737% daily periodic rate)
Default APR The Prime Rate* plus up to 23.99%, currently 32.24% (0.08833% daily periodic rate)
Overdraft Advance APR 13.95% fixed APR (0.03833% daily periodic rate)

* Estimated variable APRs above are based on the 8.25% Prime Rate as of March 21, 2007.

Fees and Finance Charges

ATM Cash Advance Fee -- Finance Charge 3% of transaction (minimum fee of \$10.00)
Non-ATM Cash Advance / Cash Advance Check Fee -- Finance Charge 3% of transaction (minimum fee of \$10.00)
Balance Transfer Fee -- Finance Charge 3% of transaction (minimum fee of \$5.00 and maximum of \$75.00)
Balance Transfer Check Fee -- Finance Charge 3% of transaction (minimum fee of \$5.00 and maximum of \$75.00)
Minimum Periodic Finance Charge \$1.00 (If any periodic finance charge is payable for a billing cycle)
Annual Membership Fee None
Late Fees: \$15.00 if the balance is up to, but not including \$250.00; \$39.00 if the balance is \$250.00 and over
Overlimit Fee \$35.00
Return Payment Fee \$35.00
Return Check Fee \$35.00
Administrative Fees: Copy of Billing Statement or other record \$5.00

EXHIBIT “2”



American Arbitration Association
Dispute Resolution Services Worldwide

phone: 877-495-4185
fax: 877-304-8457

August 24, 2012

Case Filing Services
1101 Laurel Oak Road, Suite 100
Voorhees, NJ 08043
www.adr.org

SENT VIA EMAIL AND U.S. MAIL

Joyce Zaic
4116 Rubidoux Drive
Las Vegas, NV 89108

James M. Wyman, Esq.
JPMorgan Chase Legal Department
10 South Dearborn Street
IL1-0287
Chicago, IL 60603

Re: 79 420 00096 12

Joyce Zaic
v.
Chase Bank

Dear Chase Bank:

The claimant has filed with us a Demand for Arbitration of a dispute arising out of a contract between the above parties. We note that the arbitration clause provides for arbitration by the American Arbitration Association. The American Arbitration Association applies the *Supplementary Procedures for Consumer-Related Disputes* to arbitration clauses in agreements between individual consumers and businesses where the business has a standardized, systematic application of arbitration clauses with customers and where the terms and conditions of the purchase of standardized, consumable goods or services are non-negotiable or primarily non-negotiable in most or all of its terms, conditions, features, or choices. The product or service must be for personal or household use. The *Supplementary Procedures for Consumer-Related Disputes* ("Consumer Rules") of the *Commercial Arbitration Rules* and the *Consumer Due Process Protocol* may be found on our web site at www.adr.org. You may also obtain a printed copy from the undersigned.

In order to determine if the arbitration agreement substantially and materially complies with the due process standards of the Consumer Due Process Protocol, **the AAA reviews the parties' arbitration clause only**, and not the entire contract. The AAA's review of the arbitration clause is only an administrative review to determine whether the clause complies with the AAA's minimum due process standards in consumer arbitrations. However, the AAA's review is not an opinion on whether the arbitration agreement, the contract, or any part of the contract is legally enforceable.

Pursuant to the Consumer Rules Fee Schedule (section C-8), when the consumer's claim is under \$10,000, the consumer pays \$125 for the arbitrator's compensation. The consumer has requested that the business advance this fee on her behalf. The business pays \$775 for the administrative fee plus the balance of the arbitrator's compensation. At this time we are assuming that the balance of the arbitrator's compensation, including the consumer's portion, will be \$250, bringing **the total due from the business to \$1,025**. Note that a Case Service Fee of \$200 plus an additional compensation deposit will also be due from the business if an in-person hearing is scheduled.

Payment of these amounts is a filing requirement under the Consumer Rules. As such, we will not commence administration of this dispute until this filing requirement has been met. Outstanding

payments should be received **no later than September 7, 2012**, and checks should be made payable to the American Arbitration Association. If the parties have not made full payment of these fees by that date, the Association may decline to administer this matter. Also note that should either party not pay their fees in accordance with the Consumer Rules, the opposing party has the option to do so, thereby allowing us to proceed with the administration of this case. That party may then request that the arbitrator assess these costs in the award, per the fee schedule.

Please note that at this time the Association will only address case-related issues concerning administrative filing requirements. Any other issues the parties may raise will be deferred until such time as the filing requirements have been met.

Thank you for your cooperation, and please feel free to call if you have any questions.

Sincerely,

/s/ Michelle Szeliga

Michelle Szeliga
Case Filing Specialist
856-679-4611
Szeligam@adr.org

Supervisor Information: Tara Parvey, 856-679-4602, ParveyT@adr.org

EXHIBIT “3”



***** 5-DIGIT 97007
 0266-848-00
 Sample A. Sample [Address Line 1]
 1234 Main Street [Address Line 2]
 Apt 100 [Address Line 3]
 Anytown, USA 12345-6789 [City, State, Zip+4]

IMPORTANT INFORMATION REGARDING CHANGES TO YOUR ACCOUNT

January 2010

RE: Your Chase Account ending in [VAR1]

Dear Sample A. Sample,

We are writing to notify you of changes to your Cardmember Agreement effective February 22, 2010 in support of new federal credit card regulations and laws, and call your attention to some terminology in your Cardmember Agreement that is changing.

The principal changes are highlighted below. We have indicated where they appear in the attached portion of your Cardmember Agreement so you can easily find the complete details. This Agreement or any portion of it could become effective on an earlier date because of new federal law. **This notice does not change the interest rates and fees on your account.**

Here is a summary of the principal changes:

- **Payment Crediting:** Generally, payments above the Minimum Payment due will be applied first to higher interest rate balances and then to lower interest rate balances. This may help you pay off your highest interest rate balances more quickly and reduce your interest charges.
- **Paying Interest:** The grace period for purchases that explains how you can avoid finance charges is described in the "Paying Interest" section. Your payment due date (and purchases grace period when it applies) will be a minimum of 21 days following the close of each billing cycle.
- **Penalty APR:** If an increased APR is applied to your account for a late payment or other reasons described in the "Penalty APR" section (or Finance Charges for Late Payment section for certain accounts), the new rate will affect future transactions. If a Minimum Payment is not received within 60 days of the due date, the Penalty APR will affect all outstanding balances and future transactions. In this case, your lower rate will be returned for eligible balances if the next six consecutive minimum payments are made on-time.
- **Overlimit Fee:** You will not be charged a fee for spending over your credit limit unless you agree to allow us to do so.

Some terminology in your Cardmember Agreement is also changing:

- **Interest Charge Calculation:** The method used to calculate interest charges on your account will be referred to as: **Periodic Interest Charge Calculation – Daily Balance Method (Including current transactions).** Periodic finance charges will be referred to as **periodic interest charges.**
- **Foreign Transactions/Fees:** The International Transactions section will now be referred to as **Foreign Transactions/Fees**, and the international transaction fee will be referred to as **Foreign Transaction fee.** This fee will be a finance charge.
- **Minimum Interest Charge:** The minimum finance charge will be referred to as the **minimum interest charge.**

In addition, we are simplifying certain sections of your Cardmember Agreement to make it easier to understand. This includes removing the Arbitration section from the agreement effective February 22, 2010. The revised portion of your Cardmember Agreement is enclosed and **replaces the corresponding portion of your existing agreement.**

Again, this notice does not change the interest rates and fees on your account. Your revised Cardmember Agreement incorporates by reference the numerical rates and fees, including those in the Rates and Fees table in your previous agreement as amended, which apply to your account as of February 22, 2010 (or such earlier date that this Agreement or any portion of it becomes effective). Your revised Agreement will apply to current and future balances on your account.

If you have questions or need assistance with your account, we are always available to you by calling the number listed on the back of your card.

We are committed to being a strong financial partner to our customers. We look forward to continuing to serve you, and we thank you for choosing Chase.

LTC20606.indd

Last Save Date: 12-23-2009 12:31 PM
 User Name: Inverso, Mark O (Card Services)
 Station Name: WWR124137

Job Info

Segment:	Portfolio
Campaign:	CMA Full Mailing
Cell:	None
WR #:	202578
Partner:	Chase Customer w/ fee card only
RPC:	None
Creative:	CF09404
Format ID:	
Component:	LTC-508305
Spec ID:	
Mail Date:	None

Document Size
 Trim Width: 8.375"
 Trim Height: 10.75"
 Fold Position: 3.75", 7.5"
 Folded Size: 8.375" x 3.75"

Fonts & Images
 Fonts:
 Berthold Akzidenz Grotesk (Regular, Bold), Helvetica Neue (75 Bold), Bar Code (Regular), Helvetica (Medium), Times New Roman PS (Roman)

Images:
 05606.jpg, rblk_chase.jpg, 38 (Gray), 725.ppt, 41.38%

Links:
 PFO POC
 PFO Variable
 PFO Tech Notes

Notes:
 Project ID 22494000

ADV10606

Cardmember Agreement

AGREEMENT ACCEPTANCE AND AMENDMENTS

Acceptance: This Cardmember Agreement (the "Agreement") is effective February 22, 2010. This Agreement or any portion of it could become effective on an earlier date because of new federal law. This Agreement incorporates by reference all of the numerical rates and fees (including those set forth in your previous Rates and Fees Table as it may have been amended or superseded) that are applicable to your account ("Account") as of February 22, 2010 (or such earlier date that this Agreement or any portion of it becomes effective). Your revised Cardmember Agreement also incorporates by reference any promotional program terms set forth in your previous Rates and Fees Table. This Agreement governs your credit card Account. You promise to pay for all transactions, interest charges and fees assessed on your Account, and any past due amounts. The words "we," "us" and "our" mean Chase Bank USA, N.A., which is the issuer of your credit card and lender for your Account. The words "you," "your," and "yours" mean everyone responsible for this Account, including the person who applied for the Account and the person to whom we provide the billing statements. The word "card" means each card or other access device, such as Account numbers, that we give you to use your Account.

Amendments: We have the right to change the terms of this Agreement for any reason, and in any respect, by adding, deleting or modifying any provision, including APRs, fees, the Minimum Payment and other terms. We can add a new provision without regard to whether the provision deals with a matter already addressed by this Agreement.

In certain circumstances, we are required by law to notify you of changes to the terms of this Agreement, and in other circumstances we may not be required to do so. When required by law to advise you that you have a legal right to reject any changes we make, we will provide an explanation about how to do that.

In some circumstances, APRs or other aspects of your Account may change even though the terms of the Account do not change, for example when the Prime Rate changes or the Penalty APR becomes applicable. See the Penalty APR section about our right to increase APRs on outstanding balances and/or future transactions for events of default including late payment.

USING YOUR ACCOUNT

Your Account is to be used only for personal, family or household purposes. You promise that you will not allow your Account to be used for Internet gambling, and you will not use it for any unlawful purposes or transactions, including check kiting.

Authorized Users: If you let anyone use your Account, that person is an authorized user. You may request another card for each authorized user. If you do, this Account may appear on the authorized user's credit report. You are responsible for all use of your Account including charges by authorized users. You must tell us if you want to stop an authorized user from using your Account. If you do, we may close the Account and issue a new card(s) with a different Account number. It is your responsibility to get any cards, checks or any other means of access to your Account from the authorized user and destroy them or return them to us upon request.

Billing Cycles/Statements: Your Account will have time periods called "billing cycles" or "billing periods." Each billing cycle is about one month in length. We will provide a billing statement each month one is required by applicable law.

Credit Line: We also call this a credit limit. We will assign a credit line to your Account. Your statement will show the amount of your credit line as of the date of the statement. If your Account goes overlimit, you must repay the overlimit amount when it is billed on your monthly billing statement, or sooner if we ask you to. We may, but are not obliged to, allow your Account to go over its credit line. We may change or cancel your credit line without telling you ahead of time. If we do, it will not excuse you from your obligations to pay us. We may restrict the extent to which your credit line can be used for different types of transactions (for example, purchases, balance transfers and/or cash advances) such as by limiting the dollar amount or number of or time period available for any such transactions, and we may completely prohibit use of your credit line for particular types of transactions.

Lost or Stolen Cards, Checks or Account Numbers: If you lose or someone steals your card or any other means to access your Account, or if you think someone has used your Account without your permission, you must tell us immediately. Call the Cardmember Service telephone number on your card or billing statement. Do not use your Account after you notify us. We may end your credit privileges and close your Account if we consider it appropriate. You agree to provide us information to help us find out what happened.

TYPES OF TRANSACTIONS AND AUTHORIZATIONS

Purchases: You may use your card to pay for goods or services.

Balance Transfers: In our discretion, we may allow you to transfer balances from other accounts or loans from other credit card companies, other lenders or other balance transfers we may allow, using balance transfer checks we provide or our website, or by calling us to make the transfer on your behalf. Those uses are "balance transfers". You are not authorized to transfer balances to this Account from other accounts or loans with us or any of our related companies. If you request a balance transfer but do not have enough available credit, we may transfer only a part of the requested amount.

Cash Advances: You may use your card to get cash from automatic teller machines or from banks that accept the card, or by using cash advance checks we may provide. Also, we will treat as cash advances any balance transfer checks made payable to cash, you or other payees we disclose to you. All the following uses of your Account will be treated as "cash advances": purchasing travelers checks, foreign currency, money orders, wire transfers or similar cash-like transactions; purchasing lottery tickets, casino gaming chips, race track wagers or similar betting transactions; and making a payment using a third party service.

Types of Checks/Refusal to Pay Checks: Each balance transfer check or cash advance check you write is your request for funds. We may also call them a check or an access check. The check must be signed by the person whose name is printed on it. When we receive an access check for payment, we may review your Account to decide whether to pay that check. We have the right not to pay a check for any reason, including but not limited to the following examples:

- We or one of our related companies is the payee on the check.
- The check is post-dated. If a post-dated check is paid, resulting in another check being returned or not paid, we are not responsible.
- You have used the check after the date specified on it.
- You are in default (including exceeding your credit line) or would be if we paid the check.

Overdraft Advances: You may link this Account to cover overdrafts on a checking account with one of our related banks. The terms of this Agreement and your checking account agreement will apply.

Promotions: We may make special offers for you to use your Account. If we do, we will tell you how those offers will work and how long they will last. Any special offer is subject to the terms of this Agreement, unless we explain otherwise in the offer.

Refusal to Authorize Transactions: We may decline any transaction on your Account for any of the following reasons:

- operational matters,
- your Account is in default (including exceeding your credit line),
- suspected fraudulent or unlawful activity, or
- any other reason we choose.

We are not responsible for any losses if a transaction on your Account is declined for any reason, either by us or a third party.

PAYMENTS

Minimum Payment: You must make your Minimum Payment in a way that we receive it by the time and date it is due. You may make payments greater than your required Minimum Payment. This will reduce the interest charges that are added to your Account.

Your Minimum Payment will ordinarily be the largest of:

- \$[VAR2] (or total amount you owe if less than \$[VAR2]); or
- [VAR3]% of the New Balance; or
- the sum of 1% of the New Balance, the periodic interest charges and late fees we have billed you on the statement for which your Minimum Payment is calculated.

As part of the Minimum Payment, we will also add any amount past due and we reserve the right to add any amounts in excess of your credit line. Even if the Minimum Payment does not include amounts in excess of your credit line, you must pay such amounts when billed on your monthly statement or sooner if we ask you to.

Except for Blueprint payment plans that may be offered to you, if you have agreed to the terms of a promotional financing transaction with a specific fixed payment, that amount will be added to and become part of your required Minimum Payment.

Payment Instructions: You agree to pay us amounts you owe in U.S. dollars. You must use a check, money order or electronic debit drawn on a US bank or a foreign bank branch in the U.S. We will not accept cash payments through the mail. When we receive or apply a payment, we might not restore your available credit by that amount for up to 15 days.

For mailed payments, your billing statement and the envelope it comes in give you instructions about how, when and where to make your payments. You must follow these instructions. Your payment will not be credited to your Account before we receive it at the address we specify for receipt of payments and in accordance with the payment instructions.

If you make a payment marked as paid in full or indicate that it is to pay all amounts you owe us, you must send that payment to the special address on the back of your statement. That address is called the "Conditional Payments" address. We may accept a conditional payment and not agree that it pays all amounts you owe on your Account. Also, we may return a conditional payment to you and you will still owe us the amount of the payment or any other amounts owed on your Account.

You authorize us to collect any payment check either electronically or by draft. We can collect your payment checks electronically by sending the check number, check amount, account and routing numbers to your bank. Or we can collect these checks by sending a draft drawn on your bank account. Funds may be taken from your bank account on the same day we receive your payment. We will not keep your original check, just a copy of it.

You may use our optional services to make payments electronically through our website, our automated telephone service or our Customer Service advisors, or using our Autopay feature. We will provide the terms for these payment services before you use them.

Payment Crediting/Allocation: We will apply payments equal to or less than the required Minimum Payment amount and any credits to balances on your Account in a way that is most favorable to or convenient to us. Generally, and except as required by law, we will credit payments over the required Minimum Payment to balances with the highest APR first. We will then credit payments to lower rate balances in descending order of APRs. The manner in which we apply any payment to your Account balances may affect the amount of any payment applied to introductory or promotional financing balances. This may also affect the amount of any payment to be made under a Blueprint payment plan that may be offered to you.

Credit Balances: You may request a refund of any credit balance at any time. Otherwise, we will apply it to any new charges on your Account or provide the refund to you as required by law.

Automatic Charges: You may allow others to automatically charge repeat transactions to your Account. You will be responsible for making new arrangements to make those payments if they are stopped for any reason such as:

- your Account is closed or suspended, or
- your Account number changes.

PERIODIC INTEREST CHARGES

Daily Interest Rates and Annual Percentage Rates: To get the daily interest rate we divide the APR by 365. APRs are either introductory, promotional, standard or Penalty APRs.

Periodic Interest Charge Calculation—Daily Balance Method (including current transactions): We figure periodic interest charges for each billing cycle.

- We begin with each existing balance for each type of transaction (for example, purchases, balance transfers, cash advances, overdraft advances, and each promotion). We may combine different transaction types with the same daily interest rates.
- We figure the "daily balance" for each transaction type. We take the beginning balance for each day. We add any periodic interest charge from the prior day's daily balance. This results in daily compounding of interest charges. We then add any new transactions or other debits (including fees and unpaid interest charges), and subtract any payments or credits. We treat any net credit balance as a zero balance. This gives us the daily balances for each type of transaction.
- We figure the periodic interest charges on your Account by multiplying the daily interest rate by the "daily balance" of your Account for each transaction type, each day in the billing cycle.
- The total periodic interest charges for the billing cycle are the sum of the daily periodic interest charges for each transaction type for each day during that billing cycle. If any periodic interest charge is due, we will charge you at least the minimum interest charge, plus any other finance charges (for example, transaction fees).

We add a new purchase, cash advance, balance transfer or overdraft advance, if applicable, to the daily balance on the date of the transaction, or a later date of our choice. We add a new cash advance check or balance transfer check to the daily balance on the date the payee deposits the check or a later date of our choice. We add fees either on the date of a related transaction, the date they are posted to your Account, or the last day of the billing cycle, whichever we may choose.

For each transaction type we calculate a Balance Subject to Interest Rate for the billing cycle by adding all your daily balances and dividing that amount by the number of days in the billing cycle. We may use mathematical formulas that produce equivalent results to calculate the Balance Subject to Interest Rate, periodic interest charges and related amounts.

Paying Interest: We begin assessing periodic interest charges on a transaction, fee, or interest charge from the date it is added to your daily balance as described in this Agreement until your Account is paid in full. Your due date will be a minimum of 21 days following the close of each billing cycle. You can avoid periodic interest charges on new purchases when they are first billed to a statement, as described below, but not on cash advances, balance transfers or overdraft advances.

If you receive a current monthly statement that includes new purchases, and then make a payment that we receive by the date and time the Minimum Payment is due for that statement, we will not charge periodic interest on any portion of the new purchases on that statement that we allocate such payment to, so long as your current statement also shows that we received payment of the ending balance for your previous month's statement by the date and time its Minimum Payment was due or that the ending balance for your previous month's statement was zero. If you have a balance other than a purchase balance and the other balance carries a higher periodic interest rate, you may not be able to avoid periodic interest charges on new purchases if you do not pay your balance in full each month, because we generally allocate payments first to the balance with the highest periodic interest rate.

Penalty APR: The Penalty APR will be applicable to your Account if you:

- fail to make any Minimum Payment by the date and time due (late payment);
- exceed your credit line;
- make a payment to us that is returned unpaid; or
- do any of the above on another account or loan you have with us or any of our related companies.

Before we apply the Penalty APR on any type of transaction or balance, we will provide you any notice required by law in advance that tells you which future transactions and/or outstanding balances are subject to the Penalty APR and when the APRs will increase. If we do not increase your APRs to the Penalty APR when any of these events occur, we reserve our right to increase your APRs to the Penalty APR if any of these events occur in the future.

If your APRs are increased on any type of transaction for any of the reasons above, the Penalty APR will be applicable indefinitely to future transactions of that type that occur more than 14 days after we provide you notice about the APR increase.

If we do not receive any Minimum Payment within 60 days of the date and time due, the Penalty APR will be applicable to all outstanding balances and future transactions on your Account. However, if we receive six consecutive Minimum Payments by the date and time due beginning with the first payment due after the effective date of the increase, we will stop applying the Penalty APR to transactions that occurred prior to or within 14 days after we provided you notice about the APR increase. For balances that we stop applying the Penalty APR to, we will apply APRs that would have applied at that date if the Penalty APR had never been applicable.

See the Amendments section about our rights to increase APRs and make other changes to your Account for any reason.

Variable Rates: When you have an APR that varies with changes to the Prime Rate, we calculate the APR by adding a margin to the Prime Rate published in *The Wall Street Journal* two business days before the Closing Date shown on your billing statement. The "Prime Rate" is the highest (U.S.) Prime Rate published in the Money Rates section of *The Wall Street Journal*. A "business day" is any day that is not a weekend or federal holiday. The APR will change if the Prime Rate changes. The new rate will be applied as of the first day of your billing cycle during which the Prime Rate has changed. If the APR increases, you will pay a higher interest charge and may pay a higher Minimum Payment. The Prime Rate is simply a pricing index and is not the lowest interest rate available. If *The Wall Street Journal* stops publishing the Prime Rate, we will select a similar reference rate.

OTHER FEES AND CHARGES

We may charge the following fees. Transaction fees are added to the related balance for the type of transaction. All other fees are added to the balance for purchases.

Annual Membership Fee: If your Account has an annual fee or similar charge, it will be billed each year or in installments whether or not you use your Account, and you agree to pay it when billed. The annual fee is non-refundable unless you notify us that you wish to close your Account within 30 days of our providing the statement on which the annual fee is billed and at the same time, you pay your outstanding balance in full. Your payment of the annual fee does not affect our rights to close your Account and to limit your right to make transactions on your Account. If your Account is closed by you or us, we will continue to charge the annual fee until you pay your outstanding balance in full and terminate your Account relationship.

Foreign Transactions/Fees: A Foreign Transaction fee is a fee which will be applied to transactions that take place outside of the United States, even if the currency used is U.S. Dollars. If a transaction is in a foreign currency, Visa International or MasterCard International will convert the transaction into U.S. dollars by using their own currency conversion procedures. The exchange rate will be determined in one of two ways. Either the rate will come from the range of rates available in the wholesale currency markets for the processing date (which may be different from the rate the card association receives) or a government-mandated rate in effect on that date. The exchange rate used may differ from the rate on the date of your transaction.

We may charge a Foreign Transaction fee that is a percentage of the U.S. Dollar amount of any foreign transaction as provided to us from Visa or MasterCard. These Foreign Transaction fees are finance charges. The same process and charges will apply again if any Foreign Transaction is reversed.

Late Fee: We may charge a late fee if we do not receive at least the required Minimum Payment for any billing cycle by the date and time it is due. If the amount of the late fee is based on a balance, we will use the total Account balance

at the end of the day that the late fee is charged to calculate the fee. This date may be as early as the due date for the late payment.

Minimum Interest Charge: We may charge no less than the minimum interest charge if any periodic interest charge is due for a billing cycle.

Overlimit Fee: If you agree to allow us to charge overlimit fees, we may charge such a fee to the extent allowed by law when your Account goes overlimit. We may charge this fee even though your balance is over the credit line because of a transaction we allowed. You have the right to withdraw your consent to our charging the overlimit fee at any time. If you do so, we will stop charging you the fee.

Return Check Fee: We may charge a return check fee if:

- we stop payment on a cash advance check or balance transfer check at your request, or
- we refuse to pay a cash advance check or balance transfer check.

Return Payment Fee: We may charge a return payment fee if:

- your payment check or other type of payment is not honored,
- an automatic debit or other electronic payment is returned unpaid, or
- you did not sign your payment check or it cannot be processed.

Service Fees: We may charge fees if you request a copy of a billing statement, sales draft or other record of your Account, or if you request two or more cards or any special services (for example, obtaining cards on an expedited basis). However, we will not charge fees for copies of documents requested for a billing dispute. Service fees may change from time to time. We will inform you of the fee in effect prior to when the applicable service is provided.

Transaction Fees for Balance Transfers and Cash Advances: We may charge you transaction fees for balance transfers and cash advances. These transaction fees are finance charges and are added to the balance for the applicable category of balance transfers or cash advances as of the date of that transaction.

DEFAULT/COLLECTION

Your Account may be in a default if any of the following applies:

- we do not receive at least the Minimum Payment by the date and time due as shown on your billing statement.
- you exceed your credit line.
- you fail to comply with the terms of this Agreement or any other agreement with us or one of our related companies.
- we obtain information that causes us to believe that you may be unwilling or unable to pay your debts to us or to others on time.
- you file for bankruptcy.
- you become incapacitated or die.

If your Account is in default, we may close your Account without notice and require you to pay your unpaid balance immediately. To the extent permitted by law, if you are in default because you have failed to pay us, you will pay our collection costs, attorneys' fees, court costs, and all other expenses of enforcing our rights under this Agreement.

CLOSING/SUSPENDING YOUR ACCOUNT

You may close your Account at any time. We may require you to provide a closure request in writing. Except as required by applicable law, we may close your Account or suspend your credit privileges or any feature on your Account at any time for any reason, including Account inactivity, without notice. If we close your Account or suspend your credit privileges or any feature, we will not be liable to you for any consequences that result. If you or we close your Account, you and any authorized users must stop using your Account immediately and destroy all cards, checks or other means to access your Account or return them to us upon request. You will continue to be responsible for charges to your Account according to the terms of this Agreement.

CREDIT INFORMATION

We may review your credit history by obtaining information from credit reporting agencies and others. We may report information about you and your Account to credit reporting agencies. If you request additional cards on your Account for others, we may report Account information in your name as well as in the names of those other people. If you think we have reported information to a credit reporting agency that is not correct, you may write to us using the Cardmember Service address listed on your billing statement. Please include your name,

address, Account number, telephone number and a brief description of the problem and a copy of the credit reporting agency report if you have it. We will investigate the matter. If our investigation shows that you are right, we will contact each credit reporting agency to which we reported the information and will request they correct the report. If we disagree with you after our investigation, we will tell you in writing or by telephone.

COMMUNICATIONS/CHANGE OF INFORMATION

We can provide cards, billing statements and other communications to you at any mailing address or email address shown in our records. If you change your contact information such as any mailing address, telephone number or email address, you must notify us immediately in writing at the address shown on your billing statement. Telephone numbers you provide include those you give us and/or those we obtain from caller ID processes. We may obtain telephone number, mailing address and e-mail address information from you or third parties, and we may accept mailing address corrections from the United States Postal Service.

If more than one person is responsible for this Account, we can provide billing statements and communications to any of you. Notice to one of you will be considered notice to all of you. You all will remain obligated on the Account. You agree to pay any fee(s) or charge(s) for incoming communications from us, and/or outgoing communications to us, without reimbursement from us.

You authorize us, or anyone acting on our behalf, to call or send a text message to any number you provide or to any number where we reasonably believe we can contact you. These include calls to mobile, cellular, or similar devices, and calls using automatic telephone dialing systems and/or prerecorded messages. We may also send an email to any address where we reasonably believe we can contact you. Some of the legal purposes for calls and messages include: suspected fraud or identity theft; obtaining information; transactions on or servicing of your Account; collecting on your Account; and providing you information about products and services.

TELEPHONE MONITORING AND RECORDING

We and our agents may listen to and record your telephone calls with us. You agree that we and our agents may do so, whether you or we initiate the telephone call.

ENFORCING THIS AGREEMENT

We can delay enforcing or not enforce any of our rights under this Agreement without losing our right to enforce them in the future. If any of the terms of this Agreement are found to be unenforceable, all other terms will remain in full force.

ASSIGNMENT

We may assign your Account, any amounts you owe us, or any of our rights and obligations under this Agreement to a third party. The assignee will be entitled to any of our rights that we assign to that person.

GOVERNING LAW

THE TERMS AND ENFORCEMENT OF THIS AGREEMENT AND YOUR ACCOUNT SHALL BE GOVERNED AND INTERPRETED IN ACCORDANCE WITH FEDERAL LAW AND, TO THE EXTENT STATE LAW APPLIES, THE LAW OF DELAWARE, WITHOUT REGARD TO CONFLICT-OF-LAW PRINCIPLES. THE LAW OF DELAWARE, WHERE WE AND YOUR ACCOUNT ARE LOCATED, WILL APPLY NO MATTER WHERE YOU LIVE OR USE THE ACCOUNT.

FOR INFORMATION

Please call the Cardmember Service telephone number on your card or billing statement if you have any questions about your Account or this Agreement.

YOUR BILLING RIGHTS: Keep this Document for Future Use

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

WHAT TO DO IF YOU FIND A MISTAKE ON YOUR STATEMENT

If you think there is an error on your statement, write to us on a separate sheet at the Cardmember Service address shown on your billing statement.

In your letter, give us the following information:

- **Account information:** Your name and Account number.
- **Dollar amount:** The dollar amount of the suspected error.
- **Description of problem:** If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

WHAT WILL HAPPEN AFTER WE RECEIVE YOUR LETTER

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- **If we made a mistake:** You will not have to pay the amount in question or any interest or other fees related to that amount.
- **If we do not believe there was a mistake:** You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

YOUR RIGHTS IF YOU ARE DISSATISFIED WITH YOUR CREDIT CARD PURCHASES

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card Account do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing on a separate sheet at the Cardmember Service address shown on your billing statement.

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

The following describes separate terms for Blueprint payment plans we may offer you, and are not part of your Cardmember Agreement.

PAYMENT OFFER — FINISH ITSM AND SPLITSM

This Section explains our Finish It and Split plans, which apply if offered to you and you accept it.

Finish It lets you select a portion of your balance. Split lets you select a specific purchase. For both, you can establish payments to pay off ahead of your regular schedule. We call both these features your Plan.

The amount of the payments you establish under your "Plan Payment" will be shown on your monthly statement. It is separate from your required Minimum Payment.

Your Plan Payment will be included in your "Blueprint Payment". This will also be shown on your monthly statement. The Blueprint Payment also includes your required Minimum Payment amount. The actual required Minimum Payment will be shown on your monthly statement. Making your full Blueprint Payment will satisfy your required Minimum Payment.

These Plans are optional features of your Account. You must make your required Minimum Payment by its due date. However, not making your Blueprint Payment will not put your Account in default. If you do not pay enough to satisfy at least your required Minimum Payment, your Account will be in default. Then, we may take any of the actions explained in this Agreement.

Interest Charges associated with your Plan Balance(s) will be figured the same way as those for the category of balance from which you selected your Plan Balance(s).

Even if you make your required Minimum Payment, we will remove your Plan from your Account if you do not make at least half of your Plan Payment (a) for 3 months in a row or (b) for any 3 months in a rolling 6 month period. Also, if you ask us to, we will remove the Plan from your Account. If your Account is in default, the Plan may be removed from your Account.

If a Plan is removed from your Account, your Plan Balances(s) will move to the category of balances from which you selected your Plan Balance(s). They will be treated as those balances for all purposes.

If there are balances on your Account with a higher Annual Percentage Rate than your Plan Balances, generally we will credit payments over the required Minimum Payment to balances with the highest rates first. We will then credit lower rate balances in descending order of the value of those rates. This may affect the amount of any payment to be made to Plan Balance(s).

PAYMENT OFFER — FULL PAYSM

This Section explains our Full Pay plan, which applies if it is offered to you and you accept it.

The Full Pay feature lets you select one or more types of Purchases to be separated out on your monthly statement. You can pay these in full every month. The total of the types of purchases you pick is called your Full Pay Balance.

The amount of the Full Pay Balance is totaled at the end of each billing cycle. It is separate from your required Minimum Payment.

The Full Pay Balance amount will be included in your "Blueprint Payment". This will also be shown on your monthly statement. The Blueprint Payment also includes your required Minimum Payment amount. The actual required Minimum Payment on your Account will continue to be shown on your monthly statement. Making your full Blueprint Payment will satisfy your required Minimum Payment.

If you do not pay enough to satisfy your Blueprint Payment by its due date, interest on the unpaid Full Pay Balance will be charged. This interest will start on the 1st day of the billing cycle in which you did not make your payment. As long as you make your regular required Minimum Payment by its due date, not making your Blueprint Payment will not put your Account in default.

Interest Charges are not calculated on your Full Pay Balance as long as you are active in the Blueprint plan and pay your Blueprint Payment in full by your payment due date.

If you do not pay your full Blueprint Payment by your payment due date for 3 months in a row, we may remove the Plan from your Account. Also, if you ask us to, we will remove the Plan from your Account. If your Account is in default for any of the reasons stated in this Agreement, we may remove the Plan from your Account.

If a Plan is removed from your Account, the unpaid Full Pay Balance will be treated the same as Purchases. We will apply the Purchase APR interest rate on the unpaid Full Pay Balance beginning the 1st day of the cycle in which the Plan was removed.

Generally, we will credit payments over the required Minimum Payment for your Account to balances with the highest rates first. We will then credit lower rate balances in descending order of the value of those rates. This may affect the amount of any payment to be applied to Full Pay Balance(s).

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EXHIBIT “4”



Executive Office
Mail Code IL1-6215
2500 Westfield Drive
Elgin, Illinois 60124

April 16, 2012

Joyce Zaic
4116 Rubidoux Drive
Las Vegas, NV 89108-5511

Re: Chase Freedom VISA Platinum Account **** * 9919(replacement)
Chase Freedom VISA Platinum Account **** * 1313(original)

Dear Ms. Zaic:

I am writing to confirm our telephone conversation on April 10, 2012. I appreciate this opportunity to respond to you on behalf of the Card Services Executive Office.

Chase Bank USA, National Association is one of the JPMorgan Chase group of affiliated companies. JPMorgan is global, with employees and customers in over 50 countries worldwide. We are U.S. based and one of the largest private employers in this country. We regret that you had difficulty understanding our representatives.

I understand your concerns regarding a recent transaction to Paris Las Vegas in the amount of \$531.99 which posted to the above-referenced account ending in 1313 on March 11, 2012. As we discussed, we are unable to accept your claim of fraud on this transaction.

Please understand, due to the following reasons you will be held responsible for the amount. On March 10, 2012, we received three telephone calls from you, and on each of these telephone conversations, you verified personal account information and verified the transaction you were requesting. In addition, this transaction was done face to face with an employee of the casino where they requested proof of identification.

Our records reflect you would like us to dispute this with the merchant. I regret I cannot assist you with this billing dispute. Unlike the special rights outlined in the Cardmember Agreement that you have for purchases made with the credit card, a cash advance is not considered a credit card purchase.

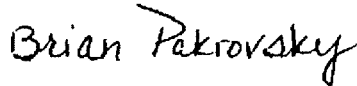
Based on your concerns expressed regarding the above transaction, I have furnished the credit-reporting agencies with updated information so they may amend their records to reflect the *account is in dispute*. We encourage you to obtain and review a copy of your credit file after allowing sufficient time for the credit-reporting agencies to update your credit profile. If a discrepancy is found, you may wish to advise the agency reflecting the error. I have provided the credit-reporting agencies' information below:

Experian	Equifax	TransUnion
Post Office Box 2002	Post Office Box 740241	Post Office Box 1000
Allen, TX 75013	Atlanta, GA 30374	Chester, PA 19022
1-888-397-3742	1-800-685-1111	1-800-888-4213
www.experian.com	www.equifax.com	www.transunion.com

Page 2
Ms. Zaic
April 16, 2012

I regret that our efforts to assist you did not result in the outcome you had expected. If you have any questions regarding the information provided in this letter, please contact me. My hours are Monday through Friday, from 8:30 a.m. to 5:00 p.m., Central Time.

Sincerely,



Brian Pakrovsky
Card Services Executive Office
1-888-622-7547, Extension 4302 or 4350

cc Nancy Stoneman
Vice President

Enclosures

Other than, providing the credit-reporting agencies with requests for the changes, deletions, or entries described above, Chase Bank USA, N.A. is not responsible for the actions or omissions of the credit-reporting agencies. Therefore, Chase Bank USA, N.A. cannot guarantee, warrant, or take responsibility for the performance of any credit-reporting agency in changing, deleting, or making entries in relation to any derogatory credit information.